

LEGAL NOTICE

and

Preliminary Determination for an Air Quality Permit for Public Service Company of New Mexico (PNM)

Public Service Company of New Mexico (PNM), 2401 Aztec Rd NE MS Z100, Albuquerque, NM has submitted an air quality permit application to the Air Quality Bureau (AQB), New Mexico Environment Department (NMED) for an air quality permit to modify PNM - San Juan Generating Station. The application file has been assigned Permit No. 0063-M10 and TEMPO Agency Interest ID No. 1421. The exact location of the facility is at latitude 36 degrees, 48 minutes, 2 seconds and longitude -108 degrees, 26 minutes, 19 seconds, Datum: NAD27. To aid in locating this facility, the approximate location is 3 miles north-northeast of Waterflow, NM in San Juan County.

The proposed modification will consist of 1) installation of two (2) GE LM6000 natural gas combustion turbines, to replace partial load from the retirement of Units 2 and 3, and 2) installation of a dual-fueled (ultra-low sulfur diesel and natural gas) 115.4 MMBtu auxiliary boiler to maintain the water temperature for Units 1 and 4 coal boilers while one or both are off-line. The auxiliary boiler will be a "limited use boiler" and the annual capacity factor of the boiler will be limited to less than or equal to 10 percent. The natural gas combustion turbines will require a BACT analysis and be limited to an allowable annual emission rate for NO_x of 75 tons per year per NSR Permit No. 0063-M9, Condition A112 "Term Sheet Requirements". Additional particulate emissions from operation of the gas turbines involve the delivery of aqueous ammonia for the SCR control system. It is estimated that 52 truck deliveries a year will be needed to supply the 19% aqueous ammonia needed annually if operated at a maximum hourly consumption rate. The distance traveled for each delivery truck round trip is 1.544 miles equal to annual vehicle miles traveled (VMT) of 80.3 miles.

Total air pollutant emissions to the atmosphere after December 31, 2017 are estimated to be approximately Nitrogen Oxides (NO_x) at 9,500 tons per year (tpy)(decrease of 12,341); Carbon Monoxide (CO) at 22,014 tpy (-13,487); Volatile Organic Compounds (VOC) at 129.3 tpy (-116.7); Sulfur Dioxide (SO₂) at 4,105 tpy (-6,209); Total Suspended Particulate Matter (TSP filterable) at 948 tpy (decrease of 836), Particulate Matter 10 microns or less (PM₁₀ filterable) at 743 tpy (-683), and Particulate Matter 2.5 microns or less (PM_{2.5} Filterable + Condensable) at 1,454 tpy (-1,406), total Hazardous Air Pollutants (HAPs) at 39.4 tpy (-28.6) and green house gas (CO₂e) > 75,000 tpy(-8,261,129). These emission estimates could change slightly during the course of the Department's review of the application.

The NMED has conducted a preliminary review of the information submitted with the permit application. The preliminary review and applicant's analysis of ambient air quality impacts indicates that the facility's air emissions will meet the air quality standards for SO₂, NO_x, PM and CO. VOCs are a pre-cursor to ozone and the NMED does not require an individual ozone ambient impact analysis for each application. To determine compliance with national ambient air quality standards for ozone, NMED uses air monitors to monitor ozone concentrations. A full review will evaluate the estimated emission rates for the pollutants listed in this public notice and determine compliance with ambient air quality requirements and standards.

Based on the applicant's analysis, a preliminary determination is that this facility will comply with the requirements of Title 20, New Mexico Administrative Code (NMAC), 20.2.14, 20.2.31, 20.2.32, 20.2.70, 20.2.71, 40 CFR 60 NSPS Subparts A, D, Db, OOO, KKKK, and TTTT; 40 CFR 63 MACT Subparts A, IIII, ZZZZ, YYYYY, DDDDD, and UUUUU; 40CFR72 Subparts B, D, and I, 40CFR73 Subparts B, C, and D, 40CFR75 Subparts A-G, 40CFR76; and the New Mexico Air Quality Control Act. Therefore, the

preliminary intent of NMED is to issue the air quality permit on or before January 12, 2017. This source is a PSD major source according to 20.2.74 NMAC.

To ensure compliance with state and federal air regulations, the permit is expected to include conditions that limit the emissions, hours of operation, production rate, and conditions that will require record keeping and reporting to the Department.

The permit application is available for review in electronic or hard copy at the Air Quality Bureau Office, 525 Camino de los Marquez Suite 1, Santa Fe, New Mexico. To arrange viewing of this application contact Teri Waldron, at 505-476-4355 or teri.waldron@state.nm.us. The permit application is also available at the NMED Farmington Office, located at 3400 Messina, Suite 5000, Farmington, NM 87402 for public review.

All interested persons have thirty (30) days from the date this notice is published, to notify the Department in writing of their interest in the permit application. The written comments should refer to the company name, facility name and Permit No. (or send a copy of this notice along with your comments). The written comments shall state the nature of the issues raised and how it relates to the requirements of applicable state and federal air quality regulations and the Clean Air Act. The written comments should be mailed to Joseph Kimbrell, New Mexico Environment Dept., Air Quality Bureau, Permit Section, 525 Camino de los Marquez Suite 1, Santa Fe, NM 87505-1816.

The Department will notify all persons, who have provided written comments as to when and where the Department's analysis may be reviewed. Although all written comments will be made part of the public record, any person who does not express interest in writing before the end of this first thirty (30) day period will not receive such notification.

If the Department receives written public comment before the end of the Department's thirty (30) day public notice, the Department's analysis will be made available for review for thirty (30) days at the NMED district or field office nearest to the source before the permit will be issued. Written comments on the analysis or permit application may be submitted to the Department during this second thirty (30) day period or at any time before the permit is issued or denied.

Questions or comments not intended to be part of the public record can be directed to Joseph Kimbrell at 505-476-4347. General information about air quality and the permitting process can be found at the Air Quality Bureau's web site. The regulation dealing with public participation in the permit review process is 20.2.72.206 NMAC. This regulation can be found in the "Permits" section of this web site. Este es un aviso de la Agencia de Calidad de Aire del Departamento de Medio Ambiente de Nuevo México, acerca de las emisiones producidas por un establecimiento en esta área. Si usted desea información en español, por favor de comunicarse con la oficina de Calidad de Aire al teléfono 505-476-5557.